



Town of Loxahatchee Groves

Finance Advisory & Audit Committee Meeting

Monday, April 23, 2012 at 7:00 p.m.

Town Hall Conference Room, 14579 Southern Blvd, Suite 2

MINUTES

1. Opening

a. Call to Order & Roll Call

Chair Lung Chiu called the meeting to order at 7:03 p.m. Present were Chair Lung Chiu, Vice Chair Elise Ryan and Committee Member Virginia Standish. Also present were Town Council Liaison Ryan Liang, Town Manager Mark Kutney, Bill Underwood, Managing Partner of Underwood Management Services Group (UMSG), and Town Office Coordinator Stephen Hainline. Committee Members Cheryl Miller and Ken Johnson were absent.

b. Approval of Agenda

Motion: Vice Chair Ryan moved to **approve** the Agenda. Committee Member Standish seconded the motion, which passed unanimously. **(Motion carried 3-0).**

c. Appointment of Chair and Vice Chair

Motion: Vice Chair Ryan moved to **appoint** Lung Chiu as Chair. Committee Member Standish seconded the motion, which passed unanimously. **(Motion carried 3-0)**

Motion: Committee Member Standish moved to **appoint** Elise Ryan as Vice Chair. Chair Chiu passed the gavel to Vice Chair Ryan at this time. He then seconded the motion, which passed unanimously. **(Motion carried 3-0)**

2. Consent Agenda

a. Minutes: March 26 2012

Motion: Vice Chair Ryan moved to **approve** the minutes. Committee Member Standish seconded the motion, which passed unanimously. **(Motion carried 3-0).**

3. Old Business

a. Responses From Banking Services RFP 2012-001 Proposers

Mr. Bill Underwood (UMSG) reported that the questions received from the Committee were submitted and answered. Discussion followed about possible interest rates. Vice Chair Ryan presented and explained her interpretation of the difference between Bank United and Wells Fargo.

Due to continuing questions, Mr. Underwood recommended that the bank representatives be invited to make presentations and answer additional questions. The Committee **agreed** and discussed scheduling them for the next meeting. Town Manager Kutney suggested having the next meeting at the Palms West Chamber of Commerce due to size restrictions at the Town Hall.

Public Comment

John Ryan, 3508 A Road, explained his understanding that more interest earnings could be generated using Bank United.

Mr. Underwood pointed out that the upcoming meeting date was scheduled on a holiday and asked if Town Staff could notify TD Bank of them being disqualified. Committee Members all **agreed**. Committee Member Standish asked about the possibility of using the state fund. Discussions continued about how the state fund works. Town Manager Kutney recommended the Committee schedule its next meeting on Tuesday, May 22, 2012, for its next meeting to include presentations by Banking Services Proposers, Bank United and Wells Fargo.

4. Discussion

a. Local Option Fuel Tax Revenues and Expenditures

1. Local Option 1-6 cent Summaries of FSS 336.025
2. Florida State Statute 336.025 and 212.055
3. Attorney General Advisory Opinions
4. 2011 and 2012 Florida State Proposed Legislation
5. LGWCD Interlocal Agreement – District Roads
6. LGWCD Interlocal Agreement – Non District Roads

Mr. Underwood reported that one (1) of the committee members requested this item be added to the agenda due to changes being made, and explained the substance of the changes that were going to be signed by the Governor. Discussion took place about how this was being implemented. Mr. Underwood provided a history of how the state developed the gas taxes and the local participation.

Public Comment

John Ryan, 3508 A Road, asked if he could talk about the gas tax with Mr. Underwood at another date.

Vice Chair Ryan noted that at the last Town Council Meeting there was not enough time to go through it in detail. Committee Member Standish questioned clarification regarding the Loxahatchee Water Control District (LGWDC) expenses listed on the invoices.

Public Comment

John Ryan, 3508 A Road, explained how the LGWCD compiled the expenses and the billing.

Mr. Underwood pointed out that the invoices required a signature from LGWCD Administrator Clete Saunier and that he would not provide it at this time. Chair Chiu noted that he believed that this issue was not for the Committee, but rather for an attorney and requested legal clarification before he agreed to the spending. Town Manager Kutney explained that the comprehensive plan needed to change in order to meet the state's requirement for the use of the gas tax. Vice Chair Ryan explained how the impact of placing OGEM on the roads were affecting the LGWCD and how the Town needed to address these issues. She also questioned the billing and the possibility of double billing. She recommended going to the intergovernmental committee with this. Chair Chiu requested a list of how these items could be answered in the future. Discussions continued about the spending of the gas tax and how it related to the comprehensive plan.

Public Comment

Marge Herzog, 866 A Road, requested if a clarification could be made by the Attorney General. Committee Members generally agreed that the Town Council should seek a legal opinion from its Town Attorney. Chair Chiu requested Town Manager Kutney get the necessary certification from the LGWCD when submitting invoices.

5. New Business

a. Approval of FY 2012 Financial Statements

1. Budget vs. Actual – March 2012
2. Bank Reconciliation – March 2012
3. General Ledger Detail – March 2012
4. Bank Statement – March 2012

Mr. Underwood explained the calculations that Vice Chair Ryan questioned. Vice Chair Ryan explained her question as to the calculation methods. Discussions and questions took place regarding the expenses that were listed on the LGWCD statements and about future expenses/projects. Town Manager Kutney explained the difference between CIE and Capital Improvement Plan (CIP) and how they were supposed to work together.

Town Council Liaison Liang asked if the Town collected cost recovery on the Day Property. Town Manager Kutney explained that the invoice would be issued soon.

Public Comment

Marge Herzog, 866 A Road, questioned several line items in the expenditures. She asked if the "reimbursable expenses" could be explained better in the report. She also asked about the next newsletter and when it would be coming out.

Motion: Vice Chair Ryan moved to **approve** the Financial Statements. Committee Member Standish seconded the motion, which passed unanimously. (**Motion carried 3-0**).

b. Review of Planning & Zoning Invoices

It was noted that no comments were made for this item.

c. Review of Fiscal Year 2013 Budget Calendar

Mr. Underwood explained the scheduling conflicts.

Public Comment

Marge Herzog, 866 A Road, asked how the Town's Budget grew to \$4,000,000 for the current year, and why.

Mr. Underwood explained specifics about fund accounting, and recommended FAAC attendance at the Florida League of Cities Institute for Municipal Elected Officials (IMEO) in Tampa, which includes the topic of government Finance and Budgeting. The Committee discussed the option of attending. Chair Chiu advised that he would appreciate the opportunity to attend the program.

d. Rescheduling of May 28th, 2012 FAAC Meeting

By **consensus**, the Committee agreed to reschedule the meeting for Tuesday, May 22, 2012.

6. Closing Comments

a. Public

John Ryan, 3508 A Road, noted that he would like to meet with Mr. Underwood to review gas tax issue to frame the question for Town Attorney for his legal opinion response.

Marge Herzog, 866 A Road, recommended that she would be pleased if the unidentified items in the expenditures were listed. She also updated everyone the condition on Committee Member Ken Johnson.

b. Committee Members

Committee Member Standish commented on the positive things that came out of the meeting.

Chair Chiu commented on how well the meeting went.

Vice Chair Ryan complimented Town Management on a great job.

c. Concluding Administrative Remarks


1. Report on Solid Waste Commercial Permitting Implementation – Frank Schiola
Postponed

7. Adjournment

Motion: Committee Member Standish moved to **adjourn** the meeting at 8:55 p.m. Vice Chair Ryan seconded the motion, which passed unanimously. (**Motion carried 3-0**).

**These minutes were approved by the
Finance Advisory & Audit Committee on May 22, 2012.**


Stephen Hainline, Office Coordinator


Lung Chiu, Chair

SEAL